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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/412,408	10/05/1999	Kevin Foley	3524.4	9618

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EXAMINER

HEWITT II, CALVIN L

ART UNIT	PAPER NUMBER
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3621

DATE MAILED: 02/24/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/412,408

Applicant(s)

FOLEY ET AL.

Examiner

Calvin L Hewitt II

Art Unit

3621



-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 December 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-29 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-29 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>24</u> . | 6) <input type="checkbox"/> Other: _____ |

Status of Claims

1. Claims 1-29 have been examined.

Response to Arguments/Amendments

2. The Examiner has considered the Applicant's amendments and arguments and would like to make the following remarks:

The Applicant is of the opinion that the prior art does not render the Applicant's system obvious as the combined prior art of Silverman et al. and Tilfors et al. do not recite a trade between a counter-party and the out-of-system party. However, claim 1 recites, "if there is no better trade in at least one stock order originating from outside the system for the particular stock for either the first party or the counterparty" therefore, prior art that shows the above feature with respect to a first party only is sufficient to meet the limitations of the claim. Regarding the combination of Silverman et al. and Tilfors et al., the Examiner disagrees with the Applicant's characterization that the combination would destroy the teachings of Silverman et al.. Specifically, after the matching of parties as taught by Silverman et al., it would have been obvious to use the system of Tilfors et al. to reduce or eliminate the risk of a person entering an order into an automated exchange to get a worse price than that person could have gotten at another exchange ('940, column 1, lines 41-46).

The Examiner has carefully considered the Applicant's exhibits, particularly exhibit D, and in light of the IDS (paper no. 24), the Examiner has withdrawn the 112 rejection to claims 16-29. However, the Examiner is responsible for giving claims their broadest reasonable interpretation. In *re Zletz* 893 F.2d 319, 321-22, 13 USPQ2d 1320, 1322 (Fed. Cir. 1989) states, "During patent examination the pending claims must be interpreted as broadly as their terms reasonably allow" and that "an essential purpose of patent examination is to fashion claims that are precise, clear, correct, and unambiguous. Only in this way can uncertainties of claim scope be removed..." Therefore, the Examiner can still interpret the term "IOI" in light of the Barron definition as the claims are not restricted to post-registration activities or the "expression of interest" of Silverman, as the Applicant has not amended the claims to include language such as "post-registration" and "wherein the IOI is not an order" ("If the applicant asserts that a term has a meaning that conflicts with the term's art- accepted meaning, Office personnel should encourage the applicant to amend the claim to better reflect what applicant intends to claim as the invention", MPEP, 2100-07).

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Silverman et al., U.S. Patent No. 5,924,082 in view of Tilfors et al., U.S. Patent No. 6,377,940.

Silverman et al. teach a distributed negotiated matching system where users can buy and sell securities over a plurality of markets (abstract; column 7, lines 1-34; column 12, lines 18-36) comprising:

- user terminals or input/output devices for conducting transactions (column 6, lines 17-26)
- parties involved in the buying and selling of securities (column 3, lines 36-49 and 60-67)
- a database identifying users who have been involved in recent trading activity (column 4, lines 13-50; column 5, lines 1-7 and 48-60; column 7, lines 14-33)
- the matching of users based on specified trading parameters (column 4, lines 13-50; column 5, lines 48-60; column 11, lines 5-30)
- the creation of a subset of users and the presentation of data to all or only selected users (abstract, lines 6-17; column 8, lines 1-59)

- the display of bids and offers to users (column 8, lines 11-17)
- user selection of parties with whom to interact (column 8, lines 10-58)
- pop-up windows for conducting negotiations between parties (figure 6, item 600; column 12, lines 18-21)
- the electronic, anonymous negotiation of trade terms and conditions (column 3, lines 65-67; column 4, lines 1-3, 9-12 and 27-49)
- the electronic execution of trades only after both parties are satisfied with the negotiated transaction terms (column 5, lines 1-8)

Regarding the timing of when bids and offers are displayed, Silverman et al. teach a system that distributes bids and offers to the remote terminals of users of the system (column 4, lines 28-54), displays offers throughout the negotiating process (column 7, lines 42-49) and that bids and offers may be entered into the system at any time (column 7, lines 25-32). Therefore, it would have been obvious to allow a user to view bids and offers throughout the transaction process in order to obtain the best price. However, Silverman et al. do not explicitly recite price discovery outside the initial trading system. Tilfors et al. teach a system that receives security orders in an initial system, automatically checks the corresponding price of the security outside the system, and allows a

match only if a better match cannot be found (abstract; figures 2 and 3; column/line 1/50-2/2). In addition, Tilfors et al. teach negotiations allowing a market maker to match a price from outside the system (column 2, lines 60-67) and executing trades such that priority is given to orders from the initial system (column 3, lines 25-32). Therefore, it would have been obvious to combine the teachings of Silverman et al. and Tilfors et al. in order to provide users with an improved interface for negotiating trades and receiving financial information ('940, figure 1; '082, figures 5A-7; column/line 11/35-12/36) and to reduce or eliminate the risk of a person entering an order into an automated exchange to get a worse price than he could have gotten at another exchange ('940, column 1, lines 42-46).

5. Claims 16-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Silverman et al., U.S. 5,924,082 in view of McCausland et al., U.S. 5,243,331.

As per claims 16-29, Silverman et al. teach an electronic trading system comprising:

- user terminals or input/output devices for conducting transactions (column 6, lines 17-26)
- the matching of users based on specified trading parameters (column 4, lines 13-50; column 5, lines 48-60)

- the creation of a subset of users and the presentation of data to all or only selected users (abstract, lines 6-17; column 8, lines 1-59)
- the ability to enter indicators of interest (column 2, lines 17-30; column 3, lines 55-60)
- entering IOI with offers or bids (column 7, lines 25-30)

Silverman et al., also provide a user with the ability to establish parameters for selectively interacting with other participants, offers and bids (column 7, lines 25-31), and disclose prior art trading systems that allow users to enter expressions of interest only after entering an order (column 2, lines 17-30). However, Silverman et al. do not explicitly recite transmitting an IOI with an order only if that order exceeds a threshold quantity. Ferstenberg et al. teach a trading system where a participant utilizes an electronic agent for the purposes of buying and selling commodities (column/line 3/51-4/3). The “e-agent” is programmable and electronically represents a participant’s trading goals (column 3, lines 21-41; column 14, lines 36-40). Using e-agents participants are allowed to make an opening message that establishes the bounds within which a final exchange must lie- the maximum and minimum amounts of each commodity the e-agent is prepared to buy or sell (column 12, lines 62-67; column/line 13/25-14/6; column 14, lines 45-67). As in the case of Silverman et al. (’082, abstract), Ferstenberg et al. disclose an intermediary for matching buyers and sellers (figure 1). In the

Ferstenberg et al. teaching the intermediary exchanges e-agent openings, offers and counteroffers that are determined by e-agent constraints such as a maximum amount exchanged (i.e. threshold quantity) (column 15, lines 1-61; column/lines 18/6-19/54). Therefore, it would have been obvious to one of ordinary skill to program the e-agent to implement a desired trading strategy, such as "all or none" (column 19, lines 19-31) or other strategies that are based on a specified quantity, as e-agents are programmed, using rule interpreters and procedural rules, to evaluate offers, and can be tailored to meet a participant's objectives (column 14, lines 45-67). However, neither Silverman et al. nor Ferstenberg et al. utilize a specialized keypad. McCausland et al. teach a dedicated keypad for a financial trading system (abstract). The keypad has special functionalities such as "bid", "confirm", "reject" "kill" commands in order to control the exchange of data between parties (figure 3; column 7, lines 38-49; column 23, lines 1-62). The keypad also allows a user to combine keys in order execute a function such as editing an order (column 23, lines 40-57). Therefore, it would have been obvious to one of ordinary skill of the art to combine the teachings of Silverman et al., Ferstenberg et al. and McCausland et al. in order to provide a more user-friendly interface by integrating common trading functions into the keyboard and to maximize the aggregate number of units of commodities exchanged in a fair manner that is acceptable to the participants ('071, column 3, lines 42-50; column 18, lines 5-67).

Conclusion

6. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Calvin Loyd Hewitt II whose telephone number is (703) 308-8057. The Examiner can normally be reached on Monday-Friday from 8:30 AM-5:00 PM.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, James P. Trammell, can be reached at (703) 305-9768.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks
c/o Technology Center 2100
Washington, D.C. 20231

or faxed to:

(703) 305-7687 (for formal communications intended for entry and after-final communications),

or:

(703) 746-5532 (for informal or draft communications, please label "PROPOSED" or "DRAFT")

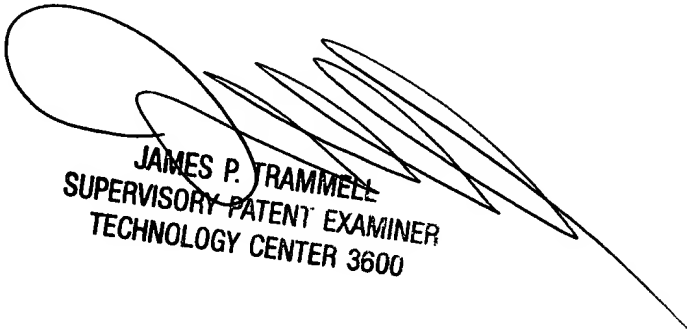
Hand-delivered responses should be brought to Crystal Park 5,
2451 Crystal Drive, 7th Floor Receptionist.

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Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113.

Calvin Loyd Hewitt II

February 22, 2004



JAMES P. TRAMMELL
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600